



# NASA LaRC Exchange FY08 Annual Report



**FY08 LaRC Exchange focus was on sound Business Management  
while reinvesting in the future!**

**Your First Choice – LaRC Exchange**



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# LaRC Exchange Operations Overview

## Mission & Vision



- The Exchange Mission is to provide products, services, and activities that promote and enhance the well-being of the LaRC Community.
- Vision: A customer-focused team providing “First Choice” quality of life programs and services for the LaRC community.
- Your First Choice--Langley Exchange



# LaRC EXCHANGE OPERATIONS

## Consolidated Financial Statement



September 30,	2008	2007
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 323,609	\$ 356,780
Accounts receivable	36,625	18,353
Inventories	44,293	38,125
Prepaid expenses	26,045	21,711
Investments - current	34,856	14,170
<b>Total current assets</b>	<b>465,428</b>	<b>449,139</b>
<b>Long-term investments</b>	<b>-</b>	<b>35,972</b>
<b>Property and equipment - net</b>	<b>349,788</b>	<b>242,989</b>
	<b>\$ 815,216</b>	<b>\$ 728,100</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 51,218	\$ 41,305
Accrued expenses	85,502	70,083
Unearned revenue	945	1,352
Security deposits	11,440	11,990
<b>Total current liabilities</b>	<b>149,105</b>	<b>124,730</b>
<b>Net assets</b>		
Unrestricted	666,111	603,370
	<b>\$ 815,216</b>	<b>\$ 728,100</b>



# LaRC EXCHANGE STANDARDS ASSESSMENT

(\$ THOUSANDS)

YTD Sept. 30, 2008



Financial Indicators and Business Indicators	STANDARD	BUDGET/TARGET AMOUNT	PREVIOUS YTD Sept 07	ASSESSMENT ACTUAL YTD ACHIEVED	(PROFIT)/(VARIANCE)	REMARKS/COMMENTS
EAA/Admin. Office NI& BUDGET VAR	> 0   ±15%	-21.6	-17.5   -13.7%	-15.1   +30%	+R +R	Fitness Center income increased resulting in 7.2K. Randolph-Sheppard pay-out \$6,055.
CHILD DEV. CENTER NI & BUDGET VAR	> 0   ±15%	10.9	-21.4   +153%	11.3   +3%	G G	Total revenues increased \$48K over FY07 with opening of new toddler room while labor remain on target to budget.
FOOD AND BEVERAGE NI & BUDGET VAR	> 0   ±15%	10.1	27.1   +95%	52.8   +423%	G +R	Cafeteria revenues exceed FY07 by 149.8K00000 resulting in best year ever.
EXCHANGE SHOP NI & BUDGET VAR	> 0   ±15%	1.5	-6.8   +301%	13.7   +813%	G +R	The revenues were 87.5K exceeding FY07 by 24.3K.
Exchange Fund Net Income & Budget Variance	> 0   ±15%	1.2	-18.6   -4060%	62.7   +162%	G +R	Net income results accomplished through sound labor management while increasing revenues in CDC and Cafe.
ACID TEST RATIO Ability to pay bill in 30 Days	>1:1	2.1:1	3.5:1	3.1:1	G	Comments: Quick cash is \$323,609, AR \$36,625. current assets \$465,428 Total liabilities \$149,105.
CASH TO DEBT RATIO Cash + Current & L. RANGE Investments / total liabilities	>1:1   <2:1	2:1	3.4:1	3.3:1	G	Comments: Cash Assets on hand \$485,111.
CI EXECUTION RATE 70 % OF BUDGET	>31.5   70%	\$135/100%	67 %	97.5 %	G	Comments: Capital Improvements budgeted at 135K. \$131,600 execution as of Sept 30, 2008.

## PROFIT/LOSS

R=LOSING MONEY

G=MAKING MONEY

A=CONTROLLED LOSS

## BUDGET VARIANCE

R=NEGATIVE OR VARIANCE >25%

G=POSITIVE NIBD & VARIANCE <16%

A=POSITIVE NIBD & VARIANCE 16-25% OR CONTROLLED LOSS & VARIANCE 0-25%



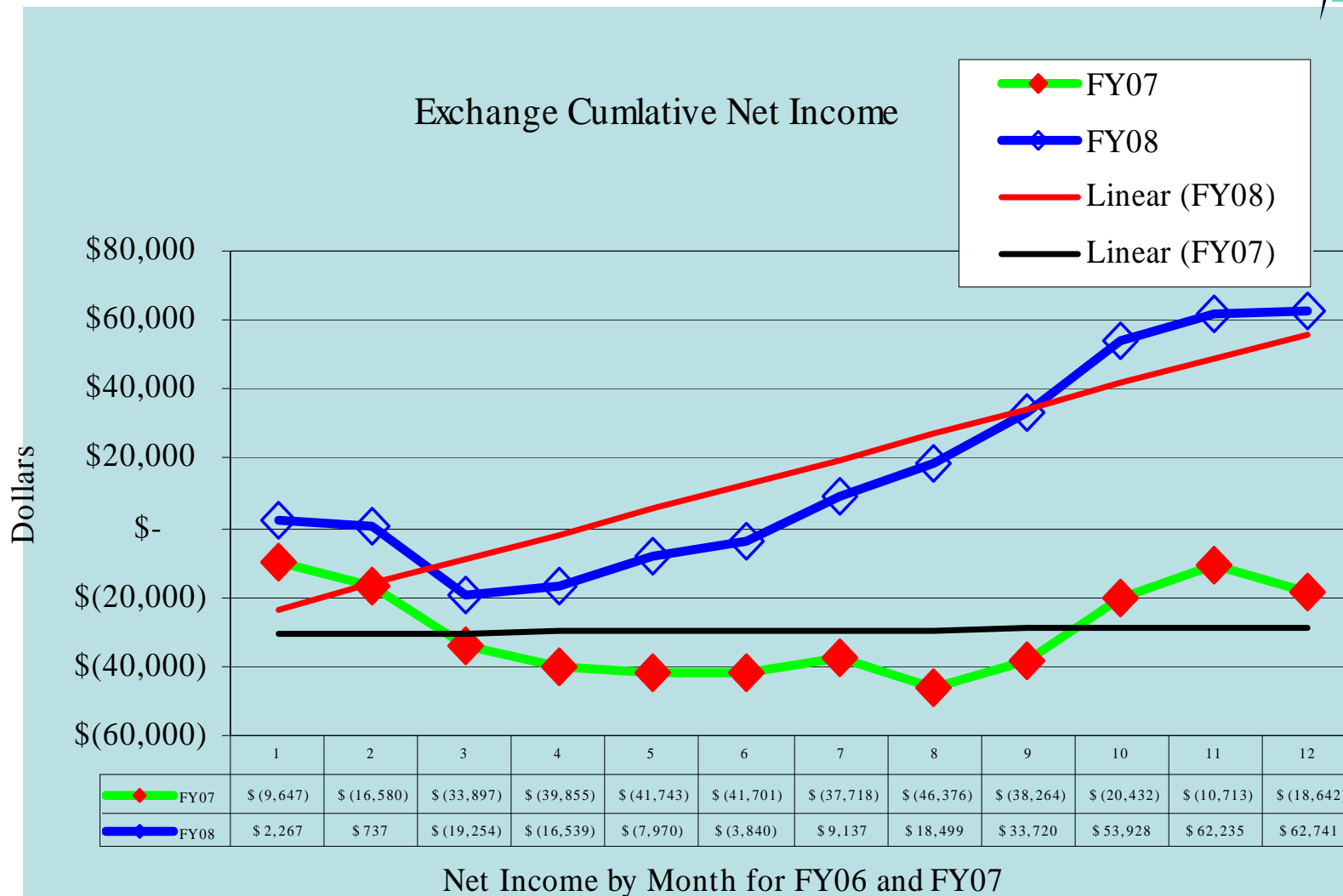
# LaRC EXCHANGE OPERATIONS



## FY 2008 Financial Statements by Activity

Revenues	EAA - Admin	CDC	Food & Bev	Exc. Shop	Consol. Exchange
Sales & Commissions	\$75,708	\$792,210	\$797,407	\$87,458	\$1,752,783
COGS			\$391,124	\$54,621	\$445,745
Gross Inc from Sales			\$406,283	\$32,837	\$1,307,038
Gross Income from operations	\$75,708	\$792,210	\$338,995	\$13,975	\$1,167,430
<u>Expenses</u>					
Labor	\$51,365	\$658,218	\$289,217	\$13,300	\$1,012,100
Operating Expenses	\$36,774	\$138,200	\$64,485	\$5,445	\$244,904
Total Expenses	\$88,139	\$796,418	\$353,702	\$18,745	\$1,257,004
Total other revenues	\$13,251	\$21,975	\$2,264	\$18	\$37,508
Net Income(loss) Before Depreciation	\$820	4,885	\$54,845	\$14,130	\$87,542
Depreciation	\$15,596	\$6,441	\$1,215	\$422	\$24,801
Net Income(loss)	(\$15,143)	\$11,326	\$52,870	\$13,668	\$62,741
Percentage of Total Revenue	-17%	1.39	6.61%	15.62%	3.5%
Total Revenue	\$88,959	\$814,185	\$799,671	\$87,476	\$1,790,291





Your First Choice – LaRC Exchange



# LaRC EXCHANGE OPERATIONS

## Cash Flow FYO7 & 08



Years Ended September 30,	2008	2007
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 62,741	\$ (18,642)
Adjustments to reconcile to net cash from operating activities:		
Depreciation	24,801	22,190
Realized and unrealized losses (gains) on investments	53	(12)
Change in:		
Accounts receivable	(18,272)	10,910
Inventories	(6,168)	11,749
Prepaid expenses	(4,334)	(12,656)
Accounts payable	9,913	(6,484)
Accrued expenses	15,419	(332)
Unearned revenue	(407)	1,352
Security deposits	(550)	110
<b>Net cash from operating activities</b>	<b>83,196</b>	<b>8,185</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(131,600)	(27,747)
Proceeds from maturities of investments	16,475	49,032
Purchase of investments	(1,242)	(20,060)
<b>Net cash from investing activities</b>	<b>(116,367)</b>	<b>1,225</b>
<b>Net change in cash and cash equivalents</b>	<b>(33,171)</b>	<b>9,410</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>356,780</b>	<b>347,370</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 323,609</b>	<b>\$ 356,780</b>





# LaRC EXCHANGE

## Fiscal Year 2008

### Capital Improvements



	ROI				
PRIORITY	Years	Activity	Cost	Projected Purchase	Description
3	4	LaRC CDC	\$5,000	4th qtr	Dishwasher deferred to FY09
2	3	Food & Beverage	\$5000	3rd qtr	Replaced catering equipment
1	8	Food & Beverage	\$125,000	4 <sup>th</sup> qtr	New Picnic Shelter completed
		<b>TOTAL</b>	<b>\$135,000</b>		Actual charge to FY08 \$131,600



# LaRC Exchange Operations Overview

## 2008 Major Accomplishments



**FY08 LaRC Exchange focus was on sound Business Management while reinvesting in the future!**

**The following outlines major accomplishment:**

- **Completed the demolition and new replacement of the Picnic Park Shelter.**
- **The Cafeteria had it's best ever financial net income performance by increasing lunch sales by 19% and catering sales by 64%.**
- **Exchange Shop improved inventory which helped them to the highest ever net income of 15.2% from total revenues.**
- **Conduct of the 90<sup>th</sup> Anniversary in partnership with Public Affairs with over 25,000 people in attendance.**
- **Provided \$16,400 in Organizational Morale Welfare funds for office parties, picnics, and holiday reception.**
- **Supported Exchange club and league with \$7,100.**



# LaRC Exchange Operations Overview

## 2008 Major Accomplishments



- Vending operations increased revenues providing \$6,055 for Randolph-Sheppard.
- Provided matching contributions to employees' 401K in amount of \$5,948
- Provided \$11,100 in performance awards to employees.
- Negotiated a new group health insurance under Optima for FY09 that will result in an average annual savings of \$700 for each employees' premium.
- Conducted Customer surveys for child care and cafeteria.
- The following charts provide photo highlights of the years accomplishments:



# LaRC Exchange Operations Overview

## 2008 Major Accomplishments



Deputy Director, Steve Jurczyk opened the New Picnic Pavilion in May 2008.



The pavilion is equipped with ceiling fans, new picnic tables, trash receptacles, refurbished storage shed and new large grill.





# LaRC Exchange Operations Overview 2008 Major Accomplishments



## Child Development Center (CDC) improvement to facilities for 2007.



New safer parking lot, speed bumpers, signage for the Child Development Center.



New surveillance cameras and central access allows for a more secure and safer environment for the child care center.



Playground fall protection added



New pre-toddler room opened



# LaRC Exchange Operations Overview

## 2008 Major Accomplishments

### Cafeteria upgrades in FY08



Refurbished the NACA room with new wall cover, carpet, lighting, tables, Public address system, chairs, large video screen and two flat screens to improve business luncheon capabilities.



Added mural and artwork to cafeteria as a part of beatification project



Replaced TV's with new flat screens added to improve customer appeal.





# LaRC Exchange Operations Overview

## 2008 Major Accomplishments

### Cafeteria continued



**New refrigeration unit**



Cafeteria upgrades completed in FY 2008 included improvements to bathrooms .



**Purchased Ice Cream Merchandise**



**Added Dessert merchandiser**



**Established partnership with the Virginia Culinary Institute to train intern students and accept position referrals.**



**New Time and attendance system**



# LaRC Exchange Operations Annual Operating Plan FY 2009



Revenues	EAA- Admin	CDC	Food & Bev	Exc. Shop	Consol. Exchange
Sales Revenues			\$ 820,953	\$ 71,045	\$ 891,998.00
COGS	\$ -		\$ 389,221	\$ 47,975	\$ 437,196.00
<b>Gross Inc from Sales</b>	\$ -		\$ 431,732	\$ 23,070	\$ 454,802.00
Other Income	\$ 76,675	\$ 878,416			\$ 955,091.00
Total Revenue	\$ 76,675	\$ 878,416	\$ 820,953	\$ 71,045	\$ 1,847,089.00
<b>Gross Income</b>	\$ 76,675	\$ 878,416	\$ 431,732	\$ 23,070	\$ 1,409,893.00
<u><b>Expenses</b></u>					
Labor	\$ 55,200	\$ 682,400	\$ 330,047	\$ 14,500	\$ 1,082,147.00
Operating Expenses	\$ 32,805	\$ 166,700	\$ 86,167	\$ 4,536	\$ 290,208.00
Total Expenses	\$ 88,005	\$ 849,100	\$ 416,214	\$ 19,036	\$ 1,372,355.00
<b>Net Income(loss)Before Dep.</b>	\$ (11,330)	\$ 29,316	\$ 15,518	\$ 4,034	\$ 37,538.00
Depreciation	\$ 12,480	\$ 10,000	\$ 5,580	\$ 852	\$ 28,912.00
<b>Net Income(loss)</b>	\$ (23,810)	\$ 19,316	\$ 9,938	\$ 3,182	\$ 8,626.00
Percentage Goals	-31%	2%	1%	4%	0.5%



# LaRC EXCHANGE 2009

## Major Budget Impacts



- Health Insurance Budgeted at same rate based upon 4 more individuals. Optima to Health lower cost to employees by 8K annually.
- Concession income based on increase in use and slight price increase in March 2009.
- Larctoberfest budgeted as 50<sup>th</sup> NASA Anniversary celebration.
- Reflects CDC increase in tuition fees effective in November and accreditation cost .
- Sales in Food and Beverage budgeting to increase revenues based on new initiatives and price increases.
- Capital Improvement budgeted at \$27.5K.





# LaRC EXCHANGE

Fiscal Year 2009

## Capital Improvements



	ROI		Estimated		
PRIORITY	Years	Activity	Cost	Projected Purchase	Description
3	2	LaRC CDC	\$12,000	4th qtr	Dishwasher/outdoor play equipment/ sink/ shelter
2	3	Food & Beverage	\$12,500	4th qtr	Counter/ tables/chairs equipment
1	30	Gift Shop	\$3,000	3 <sup>th</sup> qtr	<div>Retail POS</div> New point of sales AccuPOS
		TOTAL	\$27,500		



# LaRC EXCHANGE

## Years 2007-2009

### Cash Position/Projections



	FY07	FY08	FY09
1. Beginning Cash and cash equivalents (less Inventories, prepaid, Acct. Rec. & invest)	\$ 325,180.00	\$ 350,013.00	\$ 392,142.00
2. Plus: Current and Long term Investment Accounts & maturities	\$ 99,174.00	\$ 51,331.00	\$ 51,900.00
3. Plus: Increase to Cash (Gross Profit + Other revenues)	\$ 1,196,664.00	\$ 1,344,546.00	\$ 1,409,893.00
4. Less: Decreases to Cash (w/Depreciation)	\$ 1,215,306.00	\$ 1,281,805.00	\$ 1,401,267.00
5. Subtotal	\$ 405,712.00	\$ 464,085.00	\$ 452,668.00
6. Plus: Depreciation	\$ 22,190.00	24,801.0	\$ 28,912.00
7. Total Year end Cash plus current and long term investments (less Inventories, prepaid, Acct. Rec.)	\$ 427,902.00	\$ 488,886.00	\$ 481,580.00
8. LESS: Capital Improvements (over \$1000)	\$ 27,747.00	\$ 131,600.00	\$ 27,500.00
9. Less Long term investments	\$ 35,972.00	\$ -	\$ 25,000.00
10. plus Account rec/inventories pre-paid	\$ 78,189.00	\$ 106,963.00	\$ 110,000.00
10. Ending Cash less Cap. Imp. & Long Term investment Accounts	\$ 442,372.00	\$ 464,249.00	\$ 539,080.00
11. Cash to Debt Ratio	3.4	3.3	2.7
12. less Short term investments	\$ 14,170.00	\$ 34,856.00	\$ 25,000.00
13. Cash in Bank (less Inventories, prepaid, Acct. Rec, short term inv, st & lt inv. )	\$ 350,013.00	\$ 392,142.00	\$ 454,080.00
12. Current Liabilities	\$ 124,730.00	\$ 149,105.00	\$ 180,000.00
14. Year end Un-encumbered cash over & above Liabilities and Capital Improvements & Investments	\$ 317,642.00	\$ 315,144.00	\$ 359,080.00

Acid test Ratio results

3.5

3.1

3.0  
19



# LaRC EXCHANGE

## Years 2009-2015

### Future Projects Plans



FY 2011 - Rehab. Old LCDC building 1231 \$495,000

2013- COF projected for construction of new Cafeteria/Exchange Shop/Exchange Administrative Offices in New Town Strategic Plan within Integrated Services Facility. Cost TBD

FY15 - COF projected for refurbishing of the Gym floor and Reid center, HVAC, Upgrade athletic fields with fencing and drainage, racquetball court, curtain, expand fitness center, floor, mirrors and resurfacing tennis courts. \$3.5 Mil